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FM AMEMBASSY SANTIAGO
TO RUEHC/SECSTATE WASHDC 4283
INFO RUEHAC/AMEMBASSY ASUNCION 3724
RUEHBO/AMEMBASSY BOGOTA 2253
RUEHBU/AMEMBASSY BUENOS AIRES 1239
RUEHBR/AMEMBASSY BRASILIA 0636
RUEHCV/AMEMBASSY CARACAS 1913
RUEHPE/AMEMBASSY LIMA 5910
RUEHMN/AMEMBASSY MONTEVIDEO 4184
RUEHQT/AMEMBASSY QUITO 2076
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RHEHNSC/NSC WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDOG/DEPT OF COMMERCE WASHDC

UNCLAS SANTIAGO 000055

SIPDIS

STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

E.O. 12958: N/A

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SUBJECT: CHILE MEDIA REPORT - JANUARY 14

Leading Stories

1. Chilean dailies highlighted the 41% drop in car sales in Chile last December; the participation of the Chairman of Chile's Production and Trade Confederation in the official delegation to Cuba; and the accidents and suspension of the last leg of the Dakar automobile Rally in Chile due to weather conditions.

U.S.-Related News

2. The Wall Street Journal and the Heritage Foundation released the 2009 Index of Economic Freedom, ranking Chile's eleventh among 183 economies. Chile dropped three places since last year and was displaced from the top ten listing. The annual report -- which used a different methodology to assess labor policies -- criticized Chile in the business freedom category for the burdensome and lengthy procedures to close a business (All dailies, 1/14).

Local

3. The Executive Branch withdrew the urgency on a draft bill aimed at reforming the Chilean electoral system. The legislation, which was scheduled to be voted today in the Chamber of Deputies, would have registered all eligible citizens automatically and made voting voluntarily. An unexpected rejection by deputies in the government coalition prompted the government to postpone the initiative (El Mercurio, conservative, influential newspaper-of-record, circ. 129,000, 1/14).

4. The Government of Chile is preparing a new set of rules aimed at increasing regulations over gas, coal, thermal and diesel emissions in the country. The initiative seeks to reduce atmospheric pollution to the lowest level possible. The legislation would require higher standards on new plants and would set a two to four-year adjustment period on old facilities. Last week, the Ministry of Energy submitted a report warning the Executive Branch over the dangers of upholding the current growth of coal centrals in Chile, which would quadruple Chile's carbon dioxide emissions by the year 2030. Experts forecast an increase in operational costs of power production in the country (El Mercurio, 1/14).

Chile-Cuba

5. Businessman Rafael Guilisasti, Chairman of Chile's Production and Trade Confederation (CPC) will head the business delegation that will travel with President Michelle Bachelet to Cuba in February.

The trade mission is scheduled to participate in an economic seminar with Cuban counterparts on February 12. Sources in the government have stated that the inclusion of Mr. Guilisasti is a clear signal of the President's emphasis on trade during this trip [Note: Mr. Guilisasti is Chairman of the Board of Santiago's Binational Center] (La Tercera, conservative, independent, circ. 101,000, 1/14).

¶6. The Christian Democratic (DC) Party's Council was clearly annoyed after becoming aware that one of its members, Deputy Jose Miguel Ortiz, had been invited to join President Bachelet's official delegation to Cuba. The DC declined to participate in the trip after the Government ruled out meetings with Cuban dissidents. DC President Juan Carlos Latorre criticized the Government of Chile by noting, "We do not agree (with the fact that the Government) is putting pressure or interfering with our party's decisions" (La Tercera, 1/14).

SIMONS